

1998 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT



March 15, 1999

EXECUTIVE SUMMARY

This Consolidated Annual Performance and Evaluation Report (CAPER) is the City of Indianapolis' annual update to the United States Department of Housing and Urban Development (HUD), summarizing the progress that the City has made toward its housing and community development goals outlined in the five-year Consolidated Plan. It highlights the achievements that the City has made over the past year towards its goals of (a) increasing the supply of rental housing; (b) maintaining existing homeownership; (c) providing opportunities for new homeownership; (d) creating a Continuum of Care; and (e) carrying out economic development and human services activities.

In particular, this report discusses the activities that were undertaken in 1998 to implement the following four federal programs:

- (1) The Community Development Block Grant
- (2) The HOME Investment Partnerships Program
- (3) The Emergency Shelter Grant
- (4) The Housing Opportunities for Persons with AIDS Program

Each year, the City prepares a Consolidated Annual Plan in order to apply to HUD for these programs. The Consolidated Annual Plan proposes a strategy to spend these funds in a given year to meet the City's five-year objectives. The CAPER, in turn, describes how funds were *actually* spent and describes the resulting accomplishments.

The objectives set forth in the Consolidated Plan can be divided into two broad categories, housing and non-housing:

Housing

The primary goal identified in the 1998 Consolidated Annual Plan was to maintain and expand opportunities for affordable housing. Homeownership, in particular, was determined to be a critical factor in maintaining stable and viable neighborhoods. The City took a two-pronged approach to addressing this need. First, the City sought to help existing homeowners remain in their homes, by providing subsidies for repairs. In general, these repairs were carried out by community development corporations (CDCs) within Center Township. In all, \$1,943,506 of CDBG and HOME funds were used to repair 345 units. Secondly, the City invested in the creation of new homeownership opportunities. These efforts resulted in the creation of eighty-eight new homes, through \$1,154,413 in investments.

In addition to homeownership activities, the City also invested over \$4.5 million in the maintenance, creation and support of rental projects. Relatively small investments of HOME dollars were combined with other funding sources in Low-Income Housing Tax Credit Project to rehabilitate and construct 236 rental units. CDBG dollars assisted in the creation of 360 units.

Non-Housing

In the five-year Consolidated Plan and subsequent Consolidated Annual Plans, the City recognized that in addition to investments in the housing stock, community development was reliant upon supplemental investments in economic development and supportive services. In 1998, the City invested over \$2 million in economic development initiatives including efforts to increase the vitality of urban neighborhoods by eliminating slums and blight. More than \$1.7 million were also allocated for human services activities, primarily to meet health, education, employment and socialization needs of low-income seniors and youth.

This CAPER details both the housing and non-housing related activities that were carried out in 1999 and relates them to the City's consolidated planning goals. It demonstrates that these investments have been successful in maintaining and expanding the affordable housing stock, as well as in contributing to larger community development needs.

INTRODUCTION

In 1994, the City created a five-year planning document, the Consolidated Plan, which examined the housing and community development needs of the community and identified strategies to meet those needs. The United States Department of Housing and Urban Development (HUD) requires the City to submit the Consolidated Plan, and an annual update, the Consolidated Annual Plan, in order to apply for four federal grant programs. This Consolidated Annual Performance and Evaluation Report (CAPER) summarizes the progress that was made over the course of the last year in order to meet the objectives outlined in the five-year Consolidated Plan by carrying out the activities proposed in the 1998 Consolidated Annual Plan.

Activities undertaken in 1998 with funds from the following four grant programs are detailed in this report:

- **Community Development Block Grant (CDBG) Program**
Provides funds to (1) supply decent housing, (2) secure a suitable living environment, and (3) expand economic opportunities. This program is targeted principally for persons of low-¹ and moderate²-income and projects that will prevent or eliminate slum and blight.
- **Emergency Shelter Grant (ESG) Program**
Provides funds to (1) meet the costs of operating emergency shelters, (2) provide essential services to homeless individuals, (3) avert the increase of homelessness through homeless prevention activities, and (4) rehabilitate homeless facilities.
- **HOME Investment Partnerships (HOME) Program**
Provides funds to expand the availability of decent affordable housing (for which a household spends no more than 30% of its monthly income) and furnish coordinated assistance to participants in the development of affordable housing. HOME funds may be used for activities that build, buy, and/or rehabilitate affordable housing for rent or home ownership or provide direct rental assistance to households earning 80% or less of MFI.
- **Housing Opportunities for Persons with AIDS (HOPWA) Program**
Provides housing assistance and supportive services to low-income persons with HIV/AIDS and their families in order to prevent homelessness. HOPWA funds may be used to assist in the creation, operation, and utilization of housing units. Additionally, short-term assistance can be provided to enable a person to stay in his or her own home.

¹ Low-Income - Households whose incomes are 0 to 50% of the Median Family Income (MFI). For Indianapolis, the 1998 limit for low-income is \$25,550 for a four person household.

² Moderate-Income - Households whose incomes are 51 to 80% of the MFI. For Indianapolis, the 1998 limit for moderate-income is \$40,900 for a four person household.

Summary of Geographic Distribution of Funds

The five-year Consolidated Plan recommended that the City concentrate its housing and community development activities in Center Township and in neighborhoods that are urban in nature. Spending in 1998 remained concentrated in these neighborhoods.

Most housing activities were carried out by non-profit, community-based organizations like community development corporations (CDCs) and umbrella neighborhood groups within Center Township. CDCs most often serve a specific geographic area and are primarily engaged in affordable housing development in their communities. Several other organizations serve a county-wide clientele, including Community Action of Greater Indianapolis (CAGI) which provides housing rehabilitation for the elderly; CICOA: The Access Network, which addresses emergency repair needs; and The Damien Center, which provides housing services for HIV+ individuals in the entire Indianapolis Metropolitan Statistical Area.

Some geographic areas that were the focus of federal funds in 1998 include:

- The United Northwest Area (UNWA)
CDBG dollars were invested to this area, which has been targeted for past three years. These dollars were allocated to diversify the neighborhood, by supporting a mix of housing opportunities for market rate buyers as well as low and moderate-income individuals. Additionally, federal funds were used to repair owner-occupied homes and rental homes, occupied by low and moderate-income individuals. In 1998, \$600,000 were committed in UNWA.
- 16th and Martin Luther King Redevelopment Area
The Division of Planning has designated 16th and MLK as a Redevelopment Area. Sixty-three percent of the structures in this area have been identified as needing rehabilitation. Forty-seven percent of the property in this area is in need of rehabilitation or is vacant. As a result, \$1,753,831 were invested in this area to clear abandoned properties and eliminate slums and blight.

While housing activities primarily focussed on the CDC area, service-oriented activities were not targeted to specific geographic areas, but were tied to the income or special need of the individual or family seeking assistance. These activities were carried out by social service providers and by umbrella neighborhood groups, through the Neighborhood Empowerment Initiative. In most cases, these organizations serve residents of Center Township primarily, but are available to all citizens county-wide.

Summary of Resources

Below is a list of the housing and community development awards that the City received for 1998. These funds are leveraged with other available dollars, in order to achieve the maximum return on investment for the community.

Funding Source	Amount
Community Development Block Grant	\$11,406,000
HOME Investment Partnerships Program	\$4,194,000
Emergency Shelter Grant	\$439,000
Housing Opportunities for Persons with AIDS	\$537,000
Continuum of Care SuperNOFA	\$4,813,532
Program Income	\$1,315,852
Total	\$22,705,384

ASSESSMENT OF FIVE-YEAR GOALS

The Consolidated Plan contained a set of five objectives to address housing and community development needs from 1995 to 1999. In addition, the Plan laid out a number of strategies to accomplish these goals. The table on the following page lists all of these objectives and strategies, and illustrates the progress that has been made towards each on an annual basis.

As Table A depicts, the City made significant contributions to the five-year objectives in 1998. Community development corporations accessed CDBG and HOME funds to provide more suitable rental housing and create homeownership opportunities. A total of 596 units were added to the supply of rental housing and 88 new homes were created. Additionally, 345 homes were maintained through rehabilitation activities. The administration of the Continuum of Care was moved to DMD, allowing better coordination of homeless activities with other housing initiatives. Finally, a number of economic development and social services activities were undertaken, including the placement of nearly 250 individuals in the workforce.

By adding the 1998 accomplishments to the three previous years, it is clear that the City will meet or exceed four of its five goals by the end of 1999. The goal of increasing the supply of rental housing has already been exceeded by 10%. The goal of preserving homeownership has been surpassed by an estimated 60%. The fourth goal of preventing homelessness has been met with the creation of a Continuum of Care plan, and continues to be addressed through successful application for federal homeless assistance funding. Although there was no specific target for the fifth goal, economic development initiatives continue to provide important job placement services and other community development activities.

The goal of increasing homeownership has only reached 56% of the initial five-year objective. Through the public participation process, assisting current homeowners has consistently been identified as the top priority. Therefore, the City has opted to dedicate a higher percentage of funds to assist current homeowners to maintain their homes, rather than creating new units. Homeownership activities remain a priority in 1999 and it is anticipated that they will be the focus of the next five-year Plan.

Table A: Assessment of Five Year Goals

5 Year Objective as reflected in the 1995 Consolidated Plan	Strategy	5 Year Goal	1995 Actual	1996 Actual	1997 Actual	1998 Actual	% of 5 Year Goal	Priority
Increase supply of rental housing (Targeting the 0-50% MFI Group)	1) Rehabilitate Rental Housing 2) Rental Assistance (payments) 3) Support Services	1855 Units	703	244	503	596 360-CDBG 236-HOME	110%	High
Preserve Homeownership (Targeting the 0-80% MFI Group)	Homeownership Repair	1040 Units	409 359-CDBG 48-HOME	464 450-CDBG 14-HOME	451 350-CDBG 101-HOME	345 319-CDBG 26-HOME	160%	High
Increase Homeownership (Targeting the 50-80% MFI Group)	1) Acquire and rehabilitate units for sale; construct units for sale 2) Acquisition/Permanent Financing (non-governmental) 3) Support Facilities and Services	695 Units	126 117-CDBG 9-HOME	88 69-CDBG 19-HOME 16 HOPE 3 not added to total to avoid double counting-all were assisted by HOME or CDBG	88 38-CDBG 50-HOME City applies for Homeownership Zone Grant and was awarded in 1998	88 19-CDBG 69-HOME	56%	
Prevent Homelessness	Produce Continuum of Care Plan	Done			208 Units In process: Blue Triangle has 96 SRO units + supportive services	450	100%	High
Reduce Unemployment	1) Support exiting state and federal training programs with CDBG, targeting AFDC recipients and public housing residents 2) Create employment opportunities				2,018 persons trained 216 placed Public Housing support/\$486k for SuperNOFA Application & required match	246 placed	N/A	High

HOUSING ISSUES

HUD requires the City to review the actions that it undertook in 1998 to address a variety of housing issues, including fostering fair housing, maintaining affordable housing, improving public housing, and eliminating lead-based paint hazards.

Actions Taken to Affirmatively Further Fair Housing

HUD's policy is that the primary focus for fair housing initiatives should be at the local level and that enforcement is a local responsibility. Local units of government which receive federal funds must conduct an analysis to identify all impediments to fair housing choice within their community and outline the actions that will be taken to overcome the effects of identified impediments, provided the impediments are within the local unit of government's control to influence.

The City of Indianapolis' Analysis of Impediments to Fair Housing Choice consists of a comprehensive examination of local, state and federal policies, practices and procedures that affect the location, availability and accessibility of housing and urban residential patterns and conditions. In 1998, this analysis was revised once to accommodate concerns of the local HUD office and a second time to reflect a significant community event: the lifting of the twenty year old federal court imposed busing order on the Indianapolis Public School District.

In the Recommended Action section of the analysis, proactive statements are listed, reflecting solutions to ameliorate impediments to fair housing choice. Accompanying each statement is a set of actions that the City would take to enact these solutions. To follow is a summary of the work completed in 1998 to carry out these actions in order to achieve full implementation of these solutions to impediments.

Statement:

Fair Housing Choice will be expanded when the community, public and private sectors agree on an approach to improve the quality of life in Center Township.

Actions Taken in 1998:

City staff coordinated the Indianapolis Housing Task Force proceedings and work products, including its final report, "A Housing Strategy for Indianapolis: Directions, Recommendations and Actions." A primary focus of the report was examining the affordable housing supply and its location within the county. Findings showed that a significant portion of the housing stock affordable to the extremely low-income households was located in Indianapolis' Center Township. Hence, several recommendations focused on diversifying the housing stock supply in Center Township.

Statement:

Education and information in reference to fair housing provisions are crucial to the elimination of discriminatory practices.

Actions Taken in 1998

The City's Division of Equal Opportunity began work on developing a lecture outline, brochures and public service announcements that explain and promote the City's local fair housing ordinance and is in the process of establishing a fair housing page for the City's website. Additionally, the Division has requested that the local phone company prominently display its phone number with the listing of fair housing counseling in the 1999-2000 phonebook.

The City's Division of Planning analyzed financial institutions' lending practices to the Metropolitan Statistical Area's low-income and minority communities for the years 1992 to 1998. No significant, conclusive findings could be made so the Division has obtained more detailed data and will continue to analyze the data in 1999.

Statement:

Interagency planning and coordination of fair housing initiatives could result in a more effective service delivery and creative approaches to fair housing programs.

Actions Taken in 1998:

DMD staff are active participants on the Indiana Fair Housing Task Force.

DMD applied for and successfully obtained McKinney Funding for housing and services for the homeless for the third straight year in a row in 1998.

DMD applied for and obtain designation of Participating Administrative Entity (PAE) status for the City, as discussed on page eleven.

Statement:

Continuing research regarding the City's regulatory and financial structure is needed to aid program development.

Actions Taken in 1998:

In late 1998, the Department of Metropolitan Development examined tax abatement options for residents building or rehabilitating homes in Center Township. As a result of this study, an existing tax abatement program for Center Township residents has been reintroduced to the public and is being actively promoted.

The City of Indianapolis developed legislation in the fall of 1998 that, if passed by the State Legislature, will create designated tax revenues for a local Housing Trust Fund.

Addressing Affordable Housing

The Indianapolis Housing Task Force Report, published in 1998, highlighted difficulties in creating and maintaining affordable housing for low-income persons. These problems include (1) insufficient income to pay rent; (2) paying greater than 30% of their income for rent; and (3) living in substandard housing due to the unavailability of decent housing at a particular income level.

In an effort to alleviate these problems, the City has continually made maintaining and creating affordable housing a top priority for the use of CDBG and HOME funds. Through investments in both homeowner new construction activities and rental projects, 684 units of affordable housing were created in 1998, while 345 affordable units were maintained through rehabilitation initiatives.

An additional challenge for the Indianapolis community is the potential loss of project-based Section 8 housing units, which receive substantial federal support to make the units accessible to low-income persons. As federal contracts for project-based units expire in the next ten years, it is anticipated that the City will lose between 10% to 50% of its stock of 7,735 project-based units.

In an effort to maintain its affordable rental housing stock, the City submitted its qualifications to HUD to become a Participating Administrative Entity (PAE). The City received this designation in 1998. As PAE, with its partners Indiana Coalition for Housing and Homeless Issues, Local Initiatives Support Corporation, Indianapolis Housing Agency and P/R Mortgage and Investment Corporation, the City will restructure expiring Section 8 project-based contracts to retain affordable units.

Public Housing Initiatives

The City contributed \$367,000 to the Indianapolis Housing Agency as a match towards its HOPE VI grant. These funds were used to provide supportive services to public housing residents. Over 225 individuals were served with these dollars, used to provide computer training, job placement and retention services, literacy programs, family therapy, and youth programming. These activities were focussed on giving residents the essential skills to move towards self-sufficiency.

Additionally, during the planning process for 1999, the City held a public hearing at The Indiana Avenue Apartments, a public housing facility for seniors. This hearing allowed residents to gain a better understanding of the housing funds available to the community and to lend their voices to the needs established in the Consolidated Annual Plan.

Lead-Based Paint Hazard Reduction

Lead-based paint hazards were addressed with all construction work done in 1998. Each homeowner receiving repairs to their home was given notification of the hazards of lead-based paint. City staff reviewed signed notification forms during annual monitoring visits, to ensure that subrecipients were providing homeowners this information.

The City of Indianapolis also collaborated with the Marion County Health Department to seek federal lead-based paint funding for the establishment of a lead-based paint hazard control program. Historically, Center Township has the oldest homes and the highest concentration of deteriorating housing. 1996 data from universal screening efforts in Marion County revealed that of the children screened for the first time, 30% had high blood lead levels. A majority of these children reside in Center Township. For this reason, eight census tracts within Center Township were targeted for lead paint hazard control activities.

In its application, the Department of Metropolitan Development stated that it would continue to administer housing rehabilitation programs and partner with the Marion County Childhood Lead Poisoning Prevention Program to increase lead-based paint hazard control activity. If funding is received for this project, it would enable the partners to initiate lead assessment training and implement a remediation team by mid-1999.

SPECIAL NEEDS

HUD requires that the City examine the steps that it has taken during 1998 in order to address the necessities of various special needs populations, including the homeless, the physically or mentally disabled, the elderly, and persons living below the poverty level.

Continuum of Care

The Continuum of Care is a community's strategy to address the needs of its homeless individuals, through the provision of emergency shelter, transitional housing and supportive services. Indianapolis' plan is devised to provide homeless persons the support to move along a service continuum, towards independent living and self-sufficiency. The Continuum of Care Plan is revised annually and submitted to HUD as an application for homeless assistance funds under the Supportive Housing and Shelter Plus Care programs. In 1998, the Indianapolis community competed successfully and was awarded \$3,301,639 under these programs.

In 1998, the Department of Metropolitan Development (DMD) assumed the administration of the City's Continuum of Care. DMD partnered with the Coalition for Homelessness Intervention and Prevention to conduct a homeless summit that established the priorities of needs of homeless individuals in the community. Based on the results of this summit, attended by more than 200 individuals and a corresponding survey, completed by almost 175 individuals, a list of priorities was created. The City then solicited proposals to meet these needs, and approximately fifteen were received. A review team examined the proposals and identified projects that best match the priorities. Ten projects were supported by the City, and later received HUD funding:

Sponsor/Project	Description	Amount
Adult and Child	Transitional housing and services for severely mentally ill individuals.	\$331,317
Horizon House	Rehabilitation of a structure to accommodate a centrally-located facility for the delivery of supportive services.	\$399,999
HIP	Provide/support detoxification, employment assistance, child care and skills development services.	\$424,614
Partners in Housing Development/ Blue Triangle	Supportive services for transitional housing units serving individuals with non-chronic mental health needs.	\$68,881
Midtown/ Shelter Plus Care	Tenant-based rental assistance serving the chronically mentally ill, substance abusers, and persons with AIDS.	\$1,400,220
Eastside Community Investment/ Brookside	Transitional housing and services for severely mentally ill persons.	\$76,767
Westside Community Development Corporation	Transitional housing and supportive services for families currently living in emergency shelters.	\$194,488
Eastside Community Investment/Basta One	Transitional housing for women who are homeless due to domestic violence.	\$79,811
Dayspring Center	Case management for residents at Dayspring, Wellspring and scattered site facilities.	\$79,800
Midtown/Project Home	Housing and supportive services for pregnant and post-partum, substance-abusing women.	\$245,742
Total		\$3,301,639

Meeting Underserved Needs

Meeting the needs of underserved populations, including the elderly, the severely mentally ill, the developmentally disabled, the physically disabled, the drug and/or alcohol addicted and persons with HIV/AIDS presents a challenge to any city. In 1998, Indianapolis used its entitlement funds to address these needs in addition to seeking projects that serve these populations for inclusion in the Continuum of Care.

CDBG funds were used to support the operating costs of Coburn Place, a transitional housing facility which houses women who are victims of domestic violence. Additionally, CDBG funds were allocated to a number of senior projects, designed to eliminate isolation and keep senior citizens actively involved in community activities.

CDBG and HOME funds were invested in two housing projects, completed in 1998, to assist underserved populations. \$400,000 were committed to The Blue Triangle, a supportive housing facility consisting of seventy-two transitional units and twenty-four permanent units that serves formerly homeless men. \$456,354 were also invested in the Seminole building, a thirty-three unit housing complex for seniors.

Many of the underserved needs not addressed with CDBG or HOME dollars were covered by activities paid for with a combination of HOPWA funds, ESG funds and other McKinney funds available for the Continuum of Care discussed elsewhere in this report.

Anti-Poverty Strategy

The City of Indianapolis undertook a variety of activities in 1998 in an effort to reduce the number of families in the community that are living below the poverty level, in addition to its homeownership initiatives. To help individuals achieve economic independence, the City invested expanded employment opportunities, while simultaneously taking steps to remove traditional barriers to employment, such as the lack of transportation and child care.

Using CDBG funds, the City contracted with the Indianapolis Private Industry Council in order to provide job training, placement and retention services to nearly 250 individuals, through the Neighborhood Network for Jobs, the Community Centers of Indianapolis Job Placement Program, and entrepreneurship training programs. Senior employment programs were also carried out, to assist the elderly population in obtaining supplemental income.

In conjunction with these activities, transportation services were provided to assist individuals during their job search. Through the shelter bus ticket program supported through the ESG grant, 37,287 tickets were distributed in 1998.

ADMINISTRATIVE STRUCTURE

HUD requires the City to examine the administrative and institutional structure through which activities are carried out and administered, to discuss any gaps which may exist in the system and to indicate the steps that have been taken to narrow those gaps.

Gaps in Institutional Structure

In an effort to maximize the use of federal dollars, the City of Indianapolis is constantly striving to strengthen internal controls on its grant administration programs. In 1998, a team management system was set in place, so that a group of individuals, responsible for the regulatory oversight, financial administration and monitoring of the grant oversee each federal entitlement program.

Other gaps in the existing institutional structure were addressed by the revision of the City's Grants Management Policies. In 1998, these policies were revised to encompass all of the cross-cutting rules and regulations that guide all federal and local grant funds administered by the Division of Community Development and Financial Services. By streamlining these policies, the City sought to increase the subrecipients' awareness of program requirements, thereby decreasing areas of non-compliance.

Ensuring Compliance with Program and Planning Requirements

In addition to revising its Grants Management Policies, the City streamlined its monitoring processes, in an effort to secure full compliance with program requirements for all federal grants. A monitoring team was established, comprised of the Compliance Monitor from each grant team. Together, the monitoring team was able to streamline its evaluation process, and establish consistent methods for handling day to day activities.

After studying the techniques of several successful monitoring programs, a policies and procedures document was created for the monitoring team and a new form was drafted to be used on all monitoring visits. These documents were designed to ensure that subrecipients are being evaluated fairly and consistently across funding sources, and that routine activities, such as claims, environmental reviews and quarterly reports, are monitored in an efficient and accurate manner.

Coordination

The City enhanced its coordination efforts with organizations throughout the community in 1998. The following chart depicts many of the groups that partner with the City, and describes the primary relationships between each organization and the City throughout the last year.

Organization	Relationship
Coalition for Homelessness Intervention and Prevention	Coordinated the Continuum of Care SuperNOFA process.
Community Development Corporations	Performed housing rehabilitation and construction activities with CDBG and HOME funds.
Community Housing Development Organizations	Performed housing rehabilitation and construction activities with HOME funds.
Enterprise Community Advisory Board	Collaborated with the City to create a comprehensive Empowerment Zone application.
Front Porch Alliance	Participated in capacity building efforts of faith-based organization and assisted those organizations in applying for federal funds.
Indianapolis Housing Agency	Participated in Empowerment Zone application process and partnered with DMD to apply for the PAE.
Indianapolis Housing Strategy Task Force	Published report identifying strategies to meet the housing needs of Indianapolis.
Indianapolis Neighborhood Housing Partnership	Provided leverage to City-supported housing projects.
Indianapolis Private Industry Council (IPIC)	Oversaw employment and training activities delivered through neighborhood based entities.
Local Initiatives Support Corporation	Provided leverage to City-supported housing projects and partnered with the City to apply for the PAE.

PROGRAM SUMMARIES

HUD requires a summary of the activities undertaken by each grant: CDBG, HOME, ESG and HOPWA. These analyses summarize the activities that were completed in 1998, and describe the extent to which each activity contributed to meeting one of the five-year planning objectives.

Community Development Block Grant

Relationship of CDBG Funds to the Consolidated Plan

The City of Indianapolis' Consolidated Plan identifies five priority objectives to address the housing and community needs of the City. These objectives are: 1) increase the supply of rental housing, 2) preserve homeownership, 3) increase homeownership, 4) prevent homelessness, and 5) support other community development needs. This summary reviews the City's progress towards those five objectives, using CDBG funds.

1. Increase the Supply of Rental Housing

The City primarily uses HOME funds to achieve the goal of increasing the supply of rental housing, though CDBG funds were used in a limited capacity to support rental housing. There was an investment of \$240,000 towards creating thirty-three new rental units and rehabilitating 327 rental units. Low-income families will occupy these units. The City also provided \$367,000 to the Indianapolis Housing Agency as a match to their HOPE VI grant. These funds were not used towards the creation of new rental units, but they were used for the social services component of the HOPE VI project.

2. Preserve Homeownership

In the 1998 consolidated planning process, the City identified homeowner repair as the top priority for CDBG funds. Through this process, grants were made available to fifteen Community Development Corporations and other non-profit organizations totaling \$1,756,736 towards preserving homeownership, which was approximately 15% of the entitlement. These funds provided repairs to 319 units owned and occupied by low- and moderate-income families. In addition to this investment, \$130,000 was granted to these organizations for rehabilitation administration.

3. Increase Homeownership

The third objective in the Consolidated Plan, increase homeownership, was addressed by granting \$418,332 to Community Development Corporations to acquire and rehabilitate nineteen units for homeownership opportunities. Thirteen of these nineteen units have been sold and are occupied by low- and moderate-income families.

4. Prevent Homelessness

The strategy in the Consolidated Plan to meet the fourth objective was to create a Continuum of Care Plan. This goal was actually completed prior to 1998; however, the City of Indianapolis continues to invest CDBG funds into the prevention of homelessness. In 1998, there was an investment of \$202,660 for this purpose. These funds were provided to support a seasonal homeless shelter, transitional housing for victims of domestic violence, and transitional housing for homeless individuals and families.

5. Support Other Community Development Needs

Although the final objective in the Consolidated Plan did not meet one specific need, the City invested CDBG funds into economic development, and senior, health, and youth projects. Economic development projects include I-70/Keystone Industrial Park, 16th and Martin Luther King Redevelopment Project, and the 42nd and College Redevelopment Project. These projects are valuable to the City for several reasons. They will eliminate slums and blight, create and retain jobs, and increase the economic vitality of the neighborhood. The City invested \$2,035,911 in these economic development projects. The City also invested \$555,476 into the Unsafe Buildings program in an effort to eliminate slums and blight. Buildings deemed "unsafe" by the Health and Hospital Corporation are boarded or demolished with CDBG funds. In 1998, 241 units were demolished and 1,087 units were boarded.

Also, the City supports the Neighborhood Empowerment Initiative with CDBG funds. The purpose of this initiative is to help inner-city neighborhoods become empowered and self-sustaining. The City provides technical assistance to eight umbrella neighborhood associations located within the City's seven targeted neighborhoods and awards grants to these groups to carry out various eligible projects. These projects are identified and prioritized by the neighborhoods. To receive funding for projects, the neighborhood associations must submit proposals that meet specific requirements. In 1998, \$427,909 was spent on this initiative, which includes funding the salaries of six Neighborhood Coordinators and various public service projects administered by the umbrella neighborhood associations. These public service projects served 762 low- and moderate-income persons.

Other public service activities funded with CDBG funds include senior projects, health services and youth projects. The City invested \$449,676 in senior projects, which served 2,214 people. These projects included the following activities: socialization, employment, wellness, transportation and in-home services, such as adult protective services, visual impairment, and home health aids. There was also an investment of \$294,576 in health services. Over 279,000 people received primary health services including dental, vision, substance abuse counseling, labs, and referrals. Finally, the City invested \$85,010 in youth projects. These projects included summer programs,

educational programs, and youth crime prevention activities. In 1998, 2,928 youth participated in these programs.

Relationship of CDBG Funds to the Action Plan

The 1998 Action Plan submitted and approved by the United States Department of Housing and Urban Development proposed thirty-one projects to be funded and implemented with CDBG funds in 1998. The City actually implemented thirty-three projects as detailed in Table B.

Table B: Relationship of CDBG Funds to the Action Plan

Activity Number	Activity Name	National Objective	Type Served	Proposed	Actual	Status	Activity Budget	Revised Budget	Funds Drawn	Remaining Budget
1	King Park Area Redevelopment	LMH	households	20	0	underway	\$150,000	\$300,000	\$112,562	\$187,438
2	East Side Housing Development	SBS	households	58	0	dollars reprogrammed	\$300,000	\$0	\$0	\$0
4	Meadows Demolition and Clean up	LMA	area	N/A	N/A	underway	\$1,100,000	\$175,900	\$30,734	\$145,166
5	Barrett Law Subsidies	LMH	persons	20	74	completed	\$50,000	\$50,000	\$50,000	\$0
6	Community Based Organizations	LMH	households	245	278	underway	\$1,900,000	\$2,131,520	\$1,835,972	\$295,548
13	UNWA Housing Rehabilitation	LMH	households	47	64	underway	\$385,000	\$534,371	\$413,537	\$120,834
14	UNWA Homeownership Program	LMH/LMA	households/area	2	3/area	completed	\$75,000	\$65,000	\$58,759	\$6,241
17	Neighborhood Network for Jobs	LMC	persons	50	35	underway	\$175,000	\$250,000	\$232,000	\$18,000
18	CCI Job Placement	LMC	persons	182	150	underway	\$500,000	\$560,000	\$538,360	\$21,640
19	Entrepreneurship Training	LMC	persons	40	10	underway	\$50,000	\$50,000	\$33,000	\$17,000
20	Manufacturing Job Training	LMC	persons	40	61	completed	\$50,000	\$50,000	\$50,000	\$0
21	Unsafe Buildings Program	SBS	units	600	1328	underway	\$1,866,000	\$1,866,000	\$555,476	\$1,310,524
22	Brownfields	LMA	businesses	2	2	underway	\$200,000	\$200,000	\$20,946	\$179,054
23	Keystone/I-70 Industrial Park	LMA	area	N/A	N/A	underway	\$900,000	\$615,000	\$139,642	\$475,358
24	42nd and College	LMA	area	N/A	N/A	completed	\$170,000	\$170,000	\$142,437	\$27,563
25	Commercial Façade Program	N/A	N/A	N/A	N/A	completed	\$20,000	\$20,000	\$19,818	\$182
26	Neighborhood Empowerment Initiative	LMC	persons	500	762	underway	\$450,000	\$437,221	\$427,909	\$9,312
27	Martin Luther King Multi-Service Ctr.	LMA	area	N/A	N/A	Completed	\$150,000	\$150,000	\$150,000	\$0
28	Veterans Transitional Housing	LMH	persons	4	2	Underway	\$115,075	\$115,075	\$115,000	\$75
29	Emergency Assistance for Eastside	LMC	persons	52	41	completed	\$100,000	\$74,660	\$74,660	\$0
30	Indpls. Neighborhood Resource Center	LMA	area	N/A	N/A	underway	\$25,000	\$60,000	\$25,000	\$35,000
31	Indpls. Urban Enterprise Association	LMA	area	N/A	N/A	underway	\$100,000	\$100,000	\$74,468	\$25,532
32	Senior Services	LMC	persons	2,000	2,214	underway	\$404,375	\$539,264	\$80,409	\$458,855
33	Health Services	LMC	persons	300,000	279,127	completed	\$294,600	\$294,600	\$294,576	\$24
34	Youth Services	LMC	persons	4,000	2,928	underway	\$150,000	\$122,973	\$32,509	\$90,464
35	IHA	LMC	persons	40	220	underway	\$367,500	\$367,000	\$0	\$367,000
36	Planning	N/A	N/A	N/A	N/A	underway	\$1,198,721	\$1,000,000	\$858,180	\$141,820
37	Administration	N/A	N/A	N/A	N/A	underway	\$1,147,989	\$1,810,430	\$1,776,370	\$34,060
38	1996 Section 108 Repayment	N/A	N/A	N/A	N/A	underway	\$400,000	\$400,000	\$259,988	\$140,012
39	16th and MLK	SBA	area	area	area	underway	\$2,000,000	\$2,000,000	\$1,753,831	\$246,169
41	UNWA Technology	LMA	area	area	area	underway	\$50,000	\$50,000	\$0	\$50,000
42	Park Rangers	LMA	area	area	area	underway	\$0	\$249,000	\$191,688	\$57,312
43	Near East Industrial Center	LMA	area	area	area	completed	\$0	\$245,000	\$108,820	\$136,180
44	Community Partnership for Justice	LMA	area	area	area	underway	\$0	\$15,000	\$10,220	\$4,780
	TOTAL						\$14,844,260	\$15,068,014	\$10,466,872	\$4,601,142

As Table B shows, funds proposed for the Eastside Housing Redevelopment project were redirected to Community Based Organization projects and planning activities. There were also three new projects funded with CDBG, not anticipated in the 1998 Consolidated Annual Plan. (1) Funds were used to support five park rangers who assisted local law enforcement with reducing crime, participated in the efforts of the Weed and Seed program, and interacted with neighborhood residents to build a stronger relationship between law enforcement and residents. (2) The Near East Industrial Center (NIC) is a project which consisted of the disposition of a building located within the near eastside neighborhood. (3) 1998 CDBG funds were also used for the Community Partnership for Justice project, which worked to educate neighborhood residents about the judicial system. Also, funds set aside for the demolition and remediation in the Meadows area were actually used to assist with the rehabilitation of multi-family residential rental units located with the Meadows area. Although, some of the projects were altered throughout the year, all projects funded with 1998 CDBG funds meet the priority objectives identified in the Consolidated Plan.

Rehabilitation Projects Completed

The City has completed rehabilitation projects in 1998, consisting of the rehabilitation of single-family units owned and occupied by low- and moderate-income families and the acquisition and rehabilitation of housing units for homeownership

The City grants CDBG funds to community development corporations and other non-profit organizations to provide repairs to owner-occupied units throughout Marion County with the focus on Center Township. Four hundred seventy-two units of homeowner repair are being reported as completed with a total CDBG investment of \$2,237,468.

Community development corporations acquire vacant housing units and rehabilitate them to be sold or leased to low- and moderate-income families. In this document, 110 units of this activity are being reported as complete. For this activity, complete means that the units are rehabilitated and occupied. The total CDBG investment in these 110 units is \$678,943.

Enterprise Community

The Enterprise Community is a federal designation that uses tax incentives and flexible grants to strengthen community-based partnerships, create economic opportunities and sustain community development.

Community Based Partnerships

The Indianapolis EC undertook several Community Based Partnership initiatives this past year. These initiatives do not rely on EC funds but instead focus on increasing collaboration and effectiveness via existing resources. For instance, in 1997, the City's Department of Metropolitan Development combined two divisions to create the Division

of Community Development and Financial Services. This division is primarily responsible for fiscal and program management of the City's community development grants. As a result of this restructuring, a team of city employees now assists the Enterprise Community initiative, offering support to the Enterprise Community Advisory Board. With this support, the Board is now more proactive in seeking partnerships and opportunities for the EC projects they are implementing. Additionally, the Board, through this additional staff support, can take advantage of the many benefits afforded to ECs around the country, particularly the preference points for other federal grants. City staff watches carefully for funding opportunities that focus on the EC, such as the Homeownership Zone grant and BEDI/EDI grants that complement the EC projects. Even if the grant is not related to a specific EC initiative, care is taken to collaborate with other organizations, so EC residents may still receive those benefits. Also, the additional staff helped the Board plan and submit an application for the Round II Empowerment Zones. While Indianapolis was not designated, the community felt that the process was helpful and the plan will continue to serve as an economic development strategy for the City's neighborhoods.

Economic Opportunity

The primary goal of the Indianapolis EC is to create economic opportunities for the residents living within those boundaries. EC projects are focused on creating new job opportunities, providing job training and placement services and assisting small businesses with information that will aid their search for capital.

Some of the most celebrated successes over the last year come from the Technical Assistance Voucher Program and the Marketing EC Program. Commercial business in the EC is sparse, unstable and often requires a boost of capital to solidify its presence. During the strategic planning process, it was discovered that the availability of capital was not as significant a problem as the ability to access that capital. Throughout last year, more than 100 businesses participated in the Technical Assistance Voucher Program and received help from a variety of professionals, according to each business owner's need. After receiving assistance, the business owners were given the option of working with the Marketing EC Program, which has established long-standing relationships with banks and lenders throughout the community. Due to these efforts, EC small businesses accessed over \$1.2 million dollars to expand their business and hire additional employees.

Although the EC has enjoyed many successes, it has faced a number of challenges as well. For example, during the planning process for the JobLink program, a key implementing partner fell through, causing considerable set backs and delays. Since that time, a new partner has been identified. At this time, the health care training component is well on its way to implementation. Thus far the training program is experiencing 100% retention.

Sustainable Community Development

While economic concerns ranked high among EC residents, we could not ignore the other community development issues that plagued those neighborhoods.

Foremost, safety remains a major concern for EC residents. In the early 1970's, the City placed a moratorium on the installation of new streetlights to cut utility costs. Many EC neighborhoods were left with dark corners and alleys. Through a creative partnership with the Indianapolis Foundation, the EC granted funds to the Foundation to help establish an endowment that will cover the utility costs of the street lights well beyond the ten year life of the EC.

The community policing program builds on the success of the Department of Justice Weed and Seed Initiative. Several successful events were held in the EC, such as an anti-gang rally held at The Children's Museum attended by 2,000 persons. Officers challenged residents in basketball games and positive information was distributed to the youth. Other smaller neighborhood based events were held where residents could meet and talk with the officers.

HOME Investment Partnerships Program

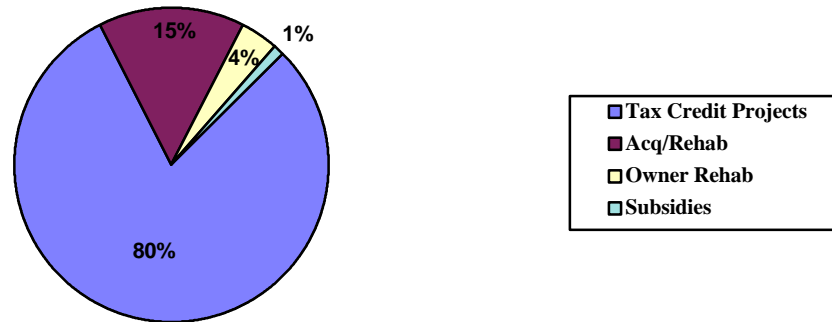
The City of Indianapolis' Consolidated Plan identifies the following housing priority needs: the rehabilitation of rental units, assistance and support services for the 0-50% MFI family; the rehabilitation of the homes owned by the 0-80% MFI family; and the rehabilitation/construction of homes to sell, assistance to first time homebuyers and the support facilities and services for the 50-80% MFI family.

During 1998, HOME funds primarily supported rental activity (80% of direct expenditures) and some homeownership activity (20% of direct expenditures). More than \$3.9 million of HOME funds were invested in the rehabilitation and new construction of rental units. The vast majority of these projects were Low-Income Housing Tax Credit Projects, where HOME funds were small investments in much larger rental housing projects. Some of these projects include The Seminole, which created thirty-three units of rental housing for elderly low-income residents and Reclamation III, which consisted of the rehabilitation of ten units to be leased to families below 60% of the median income. Therefore, over the last year significant progress has been made toward the goal of rehabilitating rental units for families earning 0-50% of the MFI.

The Consolidated Plan also identifies rental assistance as a priority need, with some consideration given to investing HOME funds toward this activity. After careful research, it was determined that the Department of Metropolitan Development lacked sufficient resources to start and manage a Tenant-based Rental Assistance Program on their own. Subsequently, the Section 8 office at the Indianapolis Housing Agency was approached about adding HOME funds to the Section 8 program. That office was not able to consider such a proposal at that time. A potential partnership has not been reevaluated due to the demand for rental rehabilitation funds.

The majority of homeownership activity (78%) in 1998 acquired and rehabilitated properties to be sold to low-income homebuyers. HOME funds were often leveraged with HOPE 3 funds to rehabilitate properties and ultimately make the rehabilitated home more affordable. About 18% of HOME homeowner funds were invested in homeowner rehab activities. After considering the most efficient use of federal funds with the Consolidated Plan goals, the City has focused more CDBG resources toward homeowner rehabilitation. The remainder of HOME funds invested last year provided subsidies and homeowner counseling. HOME funds covered all the homeowner priority needs identified in the Consolidated Plan.

The following chart depicts the percentages of HOME spending, by activity:



Affirmative Marketing

To ensure affirmative marketing of HOME-assisted activities, owners of projects comprising five or more units are required by the City to take steps to comply with the National Fair Housing Law and demonstrate non-discrimination against subsidized tenants. These requirements are included in all Project Agreements with housing providers where applicable. Specific requirements include:

- Advertising available units in commercial media e.g.; newspaper, radio or television, having wide community coverage and maintain records of this activity for review by the City.
- Using the Equal Housing Opportunity logo or slogan in all advertisements, notices, and written communications.
- Making special efforts to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach activities.
- Providing the City information with respect to tenant income and occupancy; including racial/ethnic and household composition information.

Affirmative Marketing Analysis

The City of Indianapolis, pursuant to 24 CFR 92.351 (a) (2) (v), requires organizations who have rental or homebuyer projects comprising five (5) or more HOME-assisted units to complete an Affirmative Marketing Annual Recertification. As part of this recertification process all project owners must complete a form that requests recipient and project information; its marketing program; and additional marketing activities.

For 1998, Affirmative Marketing Annual Recertifications were received from fourteen owners representing 462 units. Generally, these projects are in compliance with the affirmative marketing requirements stated above. More specifically, a review of the recertifications shows the following:

- 1) Projects advertised available units in a wide variety of publications. These publications included the City's major daily newspaper, the Indianapolis Star and News; the major paper for the African-American community, The Recorder; and consumer publications like The Thrifty Nickel to local neighborhood newspapers.
- 2) Radio and television media were not used by any project owner.
- 3) Most project owners used community or government agency contacts as part of their outreach program. These groups included the Indianapolis Housing Agency; the Hispanic Center; the Township Trustees offices; Wheeler Mission; Asian Help Services; Indiana American Indian Manpower; Central Indiana Council on Aging; Catholic Social Services; Salvation Army and local churches, businesses and non-profit organizations.
- 4) All advertisements included the Equal Housing Opportunity logo. Project owners certified the logo was included in fair housing posters and brochures and leasing offices display the logo.
- 5) Project owners maintain both Tenant Income Verification and Unit Information charts which provide data on income and racial characteristics. The gender of tenants can generally be deduced from the tenant names.

Annual Recertifications

For 1998, the City completed assessments of twenty-three completed rental housing projects representing 477 HOME-assisted units for tenant income and occupancy requirements certified by project owners.

On-site Inspections

The City completed on-site inspections for code compliance of completed rental housing on twenty projects representing eighty-two HOME-assisted units. Inspections were based on a sufficient sample of units.

Emergency Shelter Grant

The Emergency Shelter Grant program supported the fourth objective set forth in the Consolidated Plan: to prevent homelessness. In 1998, the \$437,000 ESG allocation was distributed to twelve shelters, for the purposes of contributing to shelter operations, providing essential services (including health services, employment services, legal assistance and counseling) and supporting homeless prevention activities. Three shelters used ESG funding to complete minor renovations, as well. In total, the following amounts were expended, by category:

Category	Amount
Operations	\$220,090
Essential Services	\$81,585
Homeless Prevention	\$57,288
Rehabilitation	\$3,500

While all of the above activities support the homeless population, the homeless prevention activities lend themselves most directly to the goal of the Consolidated Plan. As Table C on the following page demonstrates, 450 individuals benefited from homeless prevention activities, which include payment for a first month's rent or security deposit for individuals living in shelters, or payment of utility bills or rent payments for those who are at-risk of losing their homes.

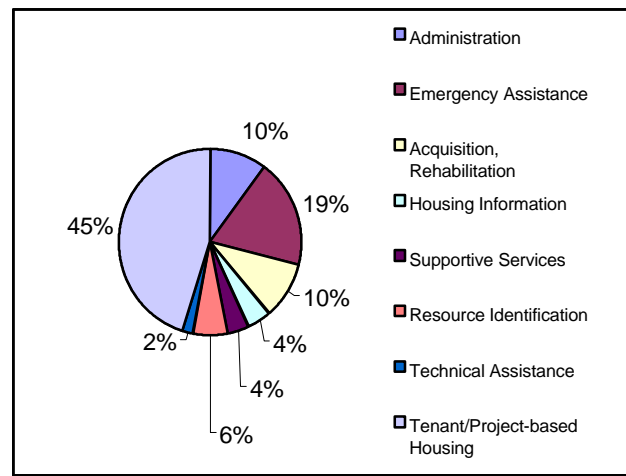
Table C: 1998 EMERGENCY SHELTER GRANT

AGENCY	OPERATIONS	ESSENTIAL SERVICES	HOMELESS PREVENTION	REHAB/ RENOVATION	TOTAL SERVED	MATCH AMOUNT	MATCH SOURCE
	Provides funding for	Provides funding for	Provides funding for	Provides funding for			
Children's Bureau/ Family Support Center	Utilities, telephone, trash removal cleaning supplies, linen service	Medical examinations for children	Security deposits, Rent or utility payment assistance		338	\$25,000	West Foundation
Community Centers Of Indianapolis, Inc.			Rent or utility payment assistance		98	\$30,843	Contributions/fund raising
Dayspring	Utilities, insurance, telephone, trash , cleaning supplies	Drug abuse, group counseling	Security deposits, Rent or utility payment assistance		931	\$71,433	U.S. Dept of Agriculture Federal Emergency Management Family Services Administration
Holy Family/ Catholic Social Services	Utilities, office supplies, telephone trash removal, cleaning supplies, postage		Security deposits, Rent or utility payment assistance	Bathroom renovation	1,007	\$37,278	St. Vincent Charity Foundation Donations
Homeless Initiative		Medical services for shelters, missions, and the day center			1,192	\$61,359	Contributions
Horizon House	Utilities, telephone, supplies	Case management	Security deposits, Rent or utility payment assistance		1,917	\$105,476	United Way
Interfaith Hospitality Network	Utilities, telephone, bedding, insurance				260	\$28,000	Interfaith's Directors Salary
Julian Center	Rent, telephone, shelter/office supplies	Emergency cab service		Shelving for storage of shelter supplies	511	\$55,101	United Way
Mt. Olive	Utilities, Insurance, trash removal, supplies	Substance abuse HIV/AIDS, family counseling	Security deposits, Rent or utility payment assistance	Heating/cooling system repair or replacement	292	\$18,000	Mt. Olive Baptist Ministries
Salvation Army Harbor Light	Utilities, food, supplies, trash removal	Medical consultations, Urine screens Drug abuse counseling			1,738	\$194,944	Salvation Army
Salvation Army Social Services	Utilities, food, supplies, telephone , trash removal ,	Staff assistance	Security deposits, rent assistance, utility assistance		3,000	\$48,500	Salvation Army
W.I.N.G.S/ Quest for Excellence	Supplies for residents, food, utilities, office supplies		Security deposits, rent assistance, utility assistance		414	\$25,500	W.I.N.G.S Staff Salary
Metro Public Transporation		Bus ticket purchased for shelters/missions			37,287		
Total Served	10,242	4792	450		11,698		

Housing Opportunities for Persons with AIDS

The City began receiving HOPWA funds in 1996. Therefore, the program was not included in the Five-Year Consolidated Plan, though subsequent Annual Plans contained this information. HOPWA is designed to meet the needs of low-income persons with HIV/AIDS and their families. In 1998, the City designated the Damien Center as the primary recipient of HOPWA funds.

In 1998 the City received \$537,000 in HOPWA funding, which was then allocated according to the percentages presented in the chart below:



The highest priorities for housing in the Consolidated Plan are Rental, Homeownership, Transitional and Supportive Housing. HOPWA funding addressed the following priorities.

Increase the Supply of Rental Housing

The Damien Center has:

- a. partnered to construct housing for HIV/AIDS clients below 50% of area median income (AMI);
- b. collaborated with Partners in Housing to set aside five units in the Blue Triangle for HIV+ clients, which also provide supportive services to its residents.

Preserve Homeownership

The Damien Center has:

- a. contracted with Fort Wayne Neighborhood Housing Partnership Program to receive technical assistance for a homeownership program for HIV + clients;
- b. met with local CDC's to partner for a homeownership program.

Prevent homelessness.

- a. In 1998, a total of \$172,542 was spent in emergency assistance funds to prevent homelessness of HIV+ clients.
- b. In addition, The Damien Center was awarded a Target Initiative Funds Grant from the Coalition on Homelessness Prevention and Intervention, in conjunction with the City of Indianapolis, to help prevent homelessness of clients that are struggling with housing from month to month.

1998 Activities

The Damien Center used its HOPWA funds to carry out the following activities: (1) provide housing information, (2) provide short-term, emergency rent and utility assistance, (3) subsidize long-term rental assistance, (4) offer supportive services (such as health, mental health, substance abuse, counseling, daycare and legal services), (5) identify housing assistance resources, and (6) provide technical assistance.

The Annual Plan anticipated that the HOPWA funds would serve 3,000 people. This figure takes into account that funds are used for any client from the nine county MSA, not just Marion County. In 1998, the HOPWA funds served 3,042 people/households.

1401 Total number of HIV/AIDS person receiving housing assistance

437 Total number of families receiving housing assistance

401 Total number receiving Housing Information

621 Total number of HIV/AIDS persons/households receiving Supportive Services

Housing

Type of Housing Assistance	Short-term rent, Mortgage and Utility payments	SRO Dwelling	Short term Facility	Community Residence	Tenant-based Rental assistance	Other housing facilities
	334	0	0	1,313	916	19

Support Services

A total of 3,382 Case Management/Support Services were provided. Of those services, 617 received outreach, 165 had advocacy, 428 assessments, 155 were provided medical/intensive care coordination, 62 dental, 33 mental health services, 87 alcohol/drug treatment, 762 nutritional meals, 96 employment assistance, 53 permanent housing placement and 2 received day care. Other support services included transportation to medical appointments for 551 clients, 96 for volunteer buddy and 215 received either EIP/ADAP support groups, SSI or health insurance.

Barriers

Homeless providers experienced some difficulty in accessing the Section 8 voucher program for homeless disabled persons. In order to better coordinate these activities, Damien will work with the Director of Section 8 in the HUD NOFA's application process to ensure community input and program coordination.

Another barrier is the reluctance of property owners, developers and apartment complexes to rent to HIV+ persons. Damien has been actively working on the Housing and Accessibility Work Group that was created as a part of the Mayor's Task Force on Housing. Part of the goal for the work group is to educate landlords about discrimination and help create a safe, friendly environment for people to enjoy their homes. In addition, Damien is working with the Indiana Fair Housing Task Force of the Indiana Civil Rights Commission to ensure any barriers met regarding fair housing violations can be addressed.

The Damien Center has also encountered barriers in the establishment of a homeownership program. By addressing the needs with hard data and educating the Board of Directors, HEAP has made significant progress in being able to provide HIV+, low income Hoosiers with another housing option – owning their own home. Some barriers identified and not resolved are:

- a. help with down-payment
- b. help with long-term mortgage assistance
- c. fear of death by funders

Recommendations for Program Improvement

While collaboration with agencies receiving Ryan White and other state funding is happening, there is a need for greater coordination. The Damien Center and the City would like to improve this coordination with other programs such as Ryan White Act, ADAP i.e., which are administered by the Indiana State Department of Health and awarded to AIDServe Indiana Cares in order to better serve persons with HIV/AIDS.

Grant Management Oversight

The programs administered by the City must adhere to its Grants Management Policies. In addition to providing agencies with this information, the following oversight activities are provided:

1. Conduct monitoring visits
2. Assess Quarterly Performance Report information
3. Review all claims for eligibility and accuracy

Client Selection Process

In order to be eligible for HOPWA persons must be in active Care Coordination and have been diagnosed with HIV/AIDS. Care Coordinators provide the client with program information and assist them complete an application. Completed applications are forwarded to the Lead Agency Coordinator and placed on a waiting list. The Client Selection Committee reviews these applications based upon certain criteria on a regular basis. Representatives from the lead agency, and care coordination sites, and at least two consumers, community agencies and AIDS service groups make up the membership.

Other Resources

HOPWA funding given to The Damien Center was supplemented by resources provided by a number of other sources. An estimated \$25,881 was contributed through the Food From the Heart Program, which secured food from area hospitals and delivered over 8,000 meals to homebound individuals. Additionally, 2,340 volunteers contributed their time to this program, and to provide transportation services, adding an estimated \$15,194 in leverage. The Damien Center also received nearly \$5,000 through individual cash and volunteer support.

AIDServe Indiana was also a major source of funding for the Damien Center's non-housing programs. In 1998, AIDServe contributed \$64,328 to pay for doctor bills, medication, insurance, clothing and other incidental costs.

SELF EVALUATION

As a government entity faced with ever-changing circumstances, the City is constantly evaluating the effectiveness of its grants management system, the progress of the activities it supports towards meeting the goals of the Consolidated Plan and the broader impact that federal funds are having on the community.

As this report reveals, the efforts of the City have been largely successful in attaining the goals set forth in the five-year Consolidated Plan. All grant programs fulfilled the proposed activities outlined in the 1998 Consolidated Annual Plan.

Despite these successes, an evaluation of the year's activities would not be complete without identifying those areas in need of improvement. As detailed the City has already enacted a strategy to correct identified deficiencies in its consolidated planning process, contract negotiations, and the Federal Grants Review Committee. In other cases, such as with the implementation of IDIS, the City will seek to improve in the coming year, in order to ensure that barriers to the overall community development strategies can be eliminated.

The Consolidated Annual Plan

In evaluating our overall annual planning strategy, the City discovered a shortfall in terms of public participation in the consolidated planning process. In prior years, opportunities for public participation in the process were minimal, limited to one or two meetings held downtown, inconvenient to many low-income families. To rectify this situation, the City launched a campaign to take the consolidated planning process to the neighborhoods. A series of meetings was held in all quadrants of the City, in an effort to maximize the venues for input. Additionally, over 2,000 community development surveys were distributed, to offer those unable to attend the hearings an opportunity to voice their concerns.

In addition to seeking increased public input in drafting the Consolidated Annual Plan, more staff was involved than in years past. The individuals that work with the entitlement programs on a daily basis participated in all stages of the process. All grants staff members helped to facilitate the public hearings, allowing them to gain a better understanding of the citizen's concerns. Each grants team was then responsible for reviewing proposals for 1999 projects, bringing all the experience of prior years' management to the review process.

The impact of these two factors, more public input and greater staff involvement, was remarkable in the Consolidated Annual Plan that resulted. Projects that were chosen for inclusion in the Plan were more realistic in their goals and more closely linked to the community's needs.

The Contract

The City realized that projects with more realistic goals are not effective unless it could account for the progress of activities towards meeting those goals throughout the year. Upon assessing its internal practices and finding that subrecipients were not always held accountable, the City began using performance-based contracts on a broad scale in 1998. All contracts awarded under the CDBG, ESG and HOPWA grants were required to adhere to performance benchmarks, outlining the subrecipients' responsibilities in straightforward, quantifiable terms.

Grants teams monitored all subrecipients' performance against these benchmarks on a quarterly basis to ensure that activities were progressing on schedule. For projects that were underperforming, discussions and reevaluations took place and funds were occasionally reallocated to provide additional funding to projects that were surpassing their established benchmarks and desired to complete extra activities.

The use of performance-based contracts has been beneficial to the City's management practices, but the City has further improvements to complete in order to ensure that these benchmarks provide a good measurement for judgement. In some cases, the benchmarks established in the 1998 contracts did not prove to be useful in project evaluation, because goals were set unrealistically or were superfluous to the funded activity. As it undergoes the 1999 contract process, the City has attempted to use the lessons learned last year to create even more meaningful project benchmarks.

The Federal Grants Review Committee

As the City determines projects to be supported in the Consolidated Annual Plan, the focus is clearly on identifying those projects that best address the priorities of the five-year Plan. Upon reflection, however, it became evident that funding requests received throughout the year were not necessarily scrutinized with the same level of attention to the goals of the Plan or the purpose of the grant programs. In order to ensure that funding requests received outside of the consolidated planning process are handled fairly and consistently, the City established a Federal Grants Review Committee.

This body, consisting of grants staff from all federal entitlement grants, hears funding requests on a monthly basis and make recommendations, contingent upon the availability of funds. Projects that may have been supported in the past, provided funds were available, are now held to a higher standard by the Committee.

In its developmental stages, the Federal Grants Review Committee has proven to be a fair and effective mechanism for funding requests. However, the City recognizes the continued need to improve the procedures of the Committee, to ensure that it is focused on meeting program requirements and the over-arching goals of the Plan.

The Integrated Disbursement and Information System (IDIS)

It is impossible to evaluate the City's performance without considering the impact of using the Integrated Disbursement and Information System (IDIS) for the first time, in order to complete report and draw information for HUD. The implementation of IDIS has not occurred without certain inevitable growing pains, but the transition has been a useful learning device, and new procedures have already been established to correct last year's difficulties.

For a number of reasons, including the fact that a majority of staff did not receive IDIS training until midway through the year, all activities were not entered into IDIS at the start of 1998. As a result of this delay, the City did not begin reporting on accomplishments or drawing down funds on a regular basis until the last several months of the year. Without these processes taking place routinely, it was impossible to use IDIS as a useful tool to monitor activities.

It is imperative that these problems are resolved so that the City may more effectively use IDIS to track the progress of various activities. As a result, the City has restructured its internal practices in order to make entering information into IDIS a part of its standard claims and reporting procedures. The City plans to complete draws on a weekly basis and enter accomplishment data quarterly.

With these new procedures in place, it is anticipated that City staff will be able to fully utilize IDIS not only to report to HUD, but also to monitor all housing and community development activities underway in order to ensure that accomplishments are being made as expected.